



MONTANA DISTRICT OFFICE

NEWSLINE

SBA @ 50: "Empowering America's Entrepreneurs"

U.S. Small Business Administration
Montana District Office

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For More Information:

- SBA offices are located in all 50 states, the District of Columbia, Puerto Rico, the U.S. Virgin Islands and Guam. For the office nearest you, look under "U.S. Government" in your telephone directory, or call the SBA Answer Desk.
- SBA Answer Desk:
1-800 U ASK SBA
- Fax: 202-205-7064
- E-mail: answerdesk@sba.gov
- TDD: 704-344-6640
- Your rights to regulatory fairness:
1-800-REG-FAIR

SBA Home Page: www.sba.gov

All of the SBA's programs and services are provided to the public on a nondiscriminatory basis.



Message from the Director...

"Bolstering Businesses in Rural America – One Community at a Time"

Montana SBA Office Ranked #1 (tied with Arizona and Nevada)

The U.S. Small Business Administration's (SBA's) impact on Montana's mostly rural economy can be felt in every corner of the state and across all 145,552 square miles. Businesses in

forty-six of Montana's fifty-six counties benefited from SBA guaranteed loan financing this past fiscal year (10/1/02 – 9/30/03), boosting economies throughout Sheridan and Flathead Counties, well into Gallatin and over to Yellowstone County. This past year, entrepreneurs in 93 cities and towns throughout the state received a shot in the arm by SBA, fostering job creation and bolstering local economies. Cohagen, MT (population 8), a town where in 1948, the population drastically decreased and most of its buildings disappeared, was even home to an SBA guaranteed loan recipient – bringing a much needed business service to farmers and ranchers in this very, remote area of Montana.

SBA – By the Numbers:

The Montana District Office (MDO) of the SBA is located in Helena, MT and is one of 70 district offices nationwide. With a staff of only fifteen, the MDO serves entrepreneurs by providing financial, management, technical assistance, and training to emerging and established businesses throughout the state. During this past FY (October 1, 2002 – September 30, 2003), MDO staff alone counseled and trained 1,762 entrepreneurs. Additionally, based on agency performance goals the MDO ranked #1 in the nation, out of 70 offices (tied with offices in Arizona and Nevada).

Montana's small business community makes up over 97% of businesses statewide, boosting Montana's economy one small business at a time. The reason SBA's guaranteed loan program is so successful in Montana is due to the responsiveness of Montana's lending community to small business. Currently there are 280 approved SBA participating lenders in Montana. This past fiscal year, 102 (or 37%) of those lenders utilized SBA's guaranteed loan programs. Seventy-eight (or 76%) of the lenders who took advantage of SBA's guaranteed loan programs were small, independently owned, community banks. Although 55 (or 54%) of the lenders utilizing our loan programs made only one or two loans during the year, this indicates that SBA's guaranteed loan programs serve as a widely used tool for lenders, which in turn benefits Montana businesses. Additionally, the average SBA guaranteed loan size this past fiscal year was \$151,151, down from \$200,510 a year ago. This means lenders are stretching their loan dollars, assisting more businesses, and aiding in Montana's recovery during this economically challenging time.

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Following is a summary of the MDO's guaranteed lending accomplishments for Fiscal Year 2003:

SBA guaranteed **495** loans totaling **\$78,357,341**. Of these loans, **478** for **\$72,250,341** were made through SBA's **7(a)** Guaranty Loan Program which provides short or long term financing for small business start-up or expansion needs. **Seventeen** loans totaling **\$6,107,000** were made through SBA's **504** Certified Development Company program which provides long term fixed rate financing for land, buildings and equipment.

SBA financed **157 new businesses** for **\$16,711,625**. **Construction, Building and Contracting, Manufacturing, Wholesale Trade Professional, Scientific and Technical Services, Ambulatory Health Care Services, Food and Drinking Places and Repair and Maintenance firms** were among the **most frequently financed** businesses during FY 2003. Of the 495 loans, **152** loans totaling **\$16,344,475** were made to **women** owned businesses, **63** loans totaling **\$10,146,900** were made to **veterans** and **28** loans totaling **\$2,381,000** were made to **minority** business owners.

(These figures **DO NOT** include participation in 504 CDC Financing)

Holding Companies Exceeding \$2.0 million in SBA Guaranteed Loans:

BANK NAME	BANK CITY	\$	#
Mountain West Financial Corporation	Helena	10,130,050.00	38
Yellowstone Holding Company	Columbus	9,477,900.00	66
Glacier Bancorp, Inc.	Kalispell	8,355,600.00	50
First Interstate BancSystem, Inc.	Billings	4,713,100.00	27
Butte Bank Shares, Inc.	Butte	4,686,300.00	12
Stockman Financial Corporation	Miles City	4,667,200.00	33
Wells Fargo & Company	San Francisco, CA	4,253,600.00	50
First National Bancorp, Inc.	Libby	2,760,000.00	16
United Financial Corp.	Great Falls	2,051,200.00	9
Bitterroot Holding Company	Lolo	2,023,500.00	10

Holding Companies Approving Ten or More SBA Guaranteed Loans:

BANK NAME	BANK CITY	\$	#
Yellowstone Holding Company	Columbus	9,477,900.00	66
Innovative Bank	California	649,000.00	65
Glacier Bancorp, Inc.	Kalispell	8,355,600.00	50
Wells Fargo & Company	San Francisco, CA	4,253,600.00	50
Mountain West Financial Corporation	Helena	10,130,050.00	38
Stockman Financial Corporation	Miles City	4,667,200.00	33
First Interstate BancSystem, Inc.	Billings	4,713,100.00	27
First National Bancorp, Inc.	Libby	2,760,000.00	16
Capital One Financial Corporation		485,000.00	14
Butte Bank Shares, Inc.	Butte	4,686,300.00	12
Montana Community Banks, Inc.	Ronan	1,789,440.00	10

Individual Lenders Exceeding \$2.0 million:

BANK NAME	BANK CITY	\$	#
Yellowstone Bank	Billings	\$8,079,000.00	55
Mountain West Bank, N.A.	Helena	\$6,515,200.00	21
Montana Community Finance Corporation	Helena	\$6,107,000.00	17
First Citizens Bank of Butte	Butte	\$4,686,300.00	12
First Security Bank	Missoula	\$3,933,600.00	16
Stockman Bank of Montana	Billings	\$2,379,700.00	21
First Interstate Bank	Billings	\$2,182,200.00	13

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Lenders Approving Ten or More Loans:

BANK NAME	BANK CITY	\$	#
Innovative Bank	Oakland	\$649,000.00	65
Yellowstone Bank	Billings	\$8,079,000.00	55
Stockman Bank of Montana	Billings	\$2,379,700.00	21
Mountain West Bank, N.A.	Helena	\$6,515,200.00	21
Montana Community Finance Corporation	Helena	\$6,107,000.00	17
First Security Bank	Missoula	\$3,933,600.00	16
Valley Bank of Helena	Helena	\$454,800.00	15
First Interstate Bank	Billings	\$2,182,200.00	13
First Citizens Bank of Butte	Butte	\$4,686,300.00	12
Wells Fargo Bank Montana	Helena	\$1,075,500.00	11

Certified Development Company – 504 Loans

BANK NAME	\$	#
Montana Community Finance Corporation - Helena	\$6,107,000	17

Counties Exceeding \$1.0 Million in Loans:

COUNTY NAME	\$	#
Yellowstone	\$14,738,750.00	113
Gallatin	\$13,524,250.00	50
Missoula	\$8,914,040.00	44
Lewis & Clark	\$6,857,300.00	47
Flathead	\$5,152,000.00	44
Silver Bow	\$4,335,000.00	18
Cascade	\$3,659,476.00	36
Ravalli	\$3,563,100.00	20
Jefferson	\$2,474,500.00	6
Stillwater	\$1,449,250.00	10
Richland	\$1,296,200.00	9
Park	\$1,187,000.00	3
Granite	\$1,175,950.00	3
Lake	\$1,101,800.00	9

Counties With Ten or More Loans:

COUNTY NAME	\$	#
Yellowstone	\$14,738,750.00	113
Gallatin	\$13,524,250.00	50
Lewis & Clark	\$6,857,300.00	47
Missoula	\$8,914,040.00	44
Flathead	\$5,152,000.00	44
Cascade	\$3,659,476.00	36
Ravalli	\$3,563,100.00	20
Silver Bow	\$4,335,000.00	18
Stillwater	\$1,449,250.00	10

With the assistance of SBA resource partners located strategically across the state, including Small Business Development Centers, the Service Corps of Retired Executives, Business Information Centers, Tribal Business Information Centers and a women's business center, the MDO successfully delivers confidential counseling, training, management and technical assistance to emerging and existing business owners. This past year, through various workshops, one-on-one counseling, training sessions, networking, and e-mail counseling, SBA and its resource partners reached out to nearly 12,000 entrepreneurs! Without the hard work, dedication and commitment of our resource partners, this would not have been possible. For more information on SBA programs and services, or to locate the nearest SBA resource partner, log onto www.sba.gov/mt or contact the Montana District Office directly at 1-800-776-9144 ext. 2.

As we celebrate 50 years of serving as *America's Small Business Resource*, we renew our commitment to delivering quality, customer oriented small business products and services to Montana's entrepreneurs for the next 50 years!



50th Anniversary Tour Hits the Road

With the assistance of area lenders and resource partners, SBA evangelists embarked on a statewide tour to celebrate SBA's 50th Anniversary, and in the process, educate emerging and existing business owners on the multitude of resources available to assist them with their business venture.

The tour covered nine cities and 3,480 miles. The workshops were designed to be one-stop education resources to discuss the host of business planning resources, technical assistance & training, financing, and other economic development tools and programs offered through various local, state, and federal agencies, as well as other economic development organizations.

Participants gleaned valuable information to help them in the success of their business, listened to testimonials from previous SBA loan recipients and were treated to cake and refreshments provided by various lenders and resource partners in celebration of SBA's 50th Years as America's Small Business Resource.

SO LONG.

Doug Crachy retired effective September 30, 2003, after 19 years with the SBA. Doug began his career with SBA in 1984, working in loan processing as a loan assistant and later as Senior Loan Officer. Most recently, Doug was the Chief of SBA's Capital Access division.

Prior to joining the SBA team, Doug held positions with Farmer's Home Administration, Gallatin Homes Corporation, Quality Roofing & Sheet Metal, and the U.S. Department of the Army.

Doug and his wife Doris reside in Elliston, MT. They enjoy the outdoors, hunting, camping, snowmobiling and spending time with their grandchildren!

"Body, Mind & Business" – Success in the Making

Business women from across Montana converged on Chico Hot Springs September 25-27, 2003, to share ideas, strategies, and gain insight into the challenging maze of business ownership. Women from all walks of entrepreneurship were in attendance, from veteran business women to newly christened women in business—there were even a few recently retired women, contemplating new business ideas.

The goal of the conference was to provide valuable tools that participants could take back and implement in their own businesses. Topics presented included: simplifying your life; tools to start, build & grow your small business; marketing/branding; Internet & web based training; low-cost advertising tips; bookkeeping; teambuilding; compassion fatigue; networking/mentoring, and financial planning issues.

One of the highlights of the conference was the celebration of SBA's 50th Anniversary. Two business women with "moxie" talked about their road to success. Shirley Beck, partner in the Sapphire Gallery and the Sweet Palace, told of her rags to riches story and the long road in helping to rebuild the economy of what was destined to be a ghost town, known as Philipsburg, MT. With the support of her local banker and five or six SBA loans later....Philipsburg, Montana has become a must-see tourist destination. Travelers from all over come to taste the delectable chocolates, mouth watering taffy, and to gaze at the world renowned sapphires and other precious gems.

Patty Foster of Synergy Builders in Elliston, MT also inspired the audience with her story of rejection and determination to succeed in a traditionally male dominated industry. After being turned down by a few lenders who were certain there was no room for another construction firm in town, Foster finally landed the line of credit she was looking for. With the confidence of one local lender (who just happened to be female), behind her and enough money to get the business up and running, Foster tackled the construction industry head on. Foster continued to persevere and applied to SBA's 8(a) Business Development program for small disadvantaged minority businesses. After wading through the paperwork and follow up interviews, Foster was eventually approved as the first white woman in the 8(a) program. Today, Foster continues to forge ahead. She has built a company to be proud of and one that is well respected within the construction industry.



S U C C E S S S T O R Y

A Venezuelan's Journey to Success

As a young boy growing up in Venezuela, Raul Luciani dreamed of owning a business, and following in his uncle's footsteps. Instead, he followed in his brother's footsteps, moved to the United States, settled in Bozeman, Montana and began coursework in engineering at Montana State University - temporarily quelling his dreams of becoming a successful businessman.



In 1982, Luciani married a Rapelje, Montana native and found himself thrust into the role of providing for someone other than himself. He left school and searched for a job that would provide a decent living for his family and would allow him to save for the future. The future to Luciani included realizing his dream of business ownership. However, the road to success was filled with obstacles. Two of them being his lack of work experience and communication skills.

Despite having a language barrier, Gallatin Homes took a chance on Luciani, giving him his first paying job in the United States. Although he lacked an actual work history, he was able to work magic with his hands and fix anything with a motor. Over the next few years, Luciani held a number of mechanic jobs with U-Haul and Neibauer Toyota in Bozeman. He soon came to realize though, that he was never going to achieve the American dream of owning his own business, unless he was able to communicate effectively. His desire and determination landed him and his family in Florida where he worked diligently honing his communication skills.

The family returned to Bozeman and Luciani picked up where he left off, working odds 'n ends jobs to make ends meet, and fixing up cars to sell for a profit. He continued his search for the perfect business opportunity. This time though, he was armed with effective communication skills to sell himself as an entrepreneur.

Luciani heard about a fledgling check collection business called Check Patrol that was for sale in Bozeman. "Absolutely not, there is no way you can do this. You have never worked behind a desk," his wife harped. The business was only making \$700 a month. Luciani needed at least \$2,000 a month to make ends meet. He didn't have enough money saved to purchase the business. Ironically, he was able to come up with the cash to purchase the business from the sale of a BMW he had fixed up and had been trying to unload for a year. Luciani dove headfirst into collections and within two weeks had collected \$1,500 in accounts receivable. He pioneered offering rebates to merchants for every check he collected on for them, changing the check collection industry forever. "I owe it to them, they keep me in business," he says humbly. Over the next eleven years, Luciani established himself as a major player in the industry and franchised into different locations.

Visions of expansion were still on his mind when he heard about SBA's 8(a) Business Development Program. He contacted the Montana SBA Office to see if there was a need for a check collection business in the Federal Government, only to find out that the government had its own collection system in place. Realizing opportunities for businesses in the 8(a) program, he opened Maintenance Patrol - a janitorial and building maintenance service. It seemed a logical tie to his check collecting business since he already had a whole list of merchants that he could contact in search of business for Maintenance Patrol. After only six months of operation, Maintenance Patrol applied for and was accepted into SBA's 8(a) program on August 27, 1999. Luciani decided not to compete for business in the commercial and private arenas, but to focus strictly on obtaining contracts with the Federal Government.

One of the first contracts Maintenance Patrol obtained was the contract for services at the Bozeman Federal Building. Since that time, Maintenance Patrol has obtained eleven contracts with the General Services Administration and Department of the Air Force through the 8(a) program. Luciani sees the 8(a) program as an opportunity for him to really market his business and expand it into a large

company. It's not just another handout or gimmie for a minority business owner. "It hurts me when people say that American's are a dying breed - because minorities are given all the opportunities," he says with a short sigh. He sees the program as an effective marketing tool to sell himself and his company's services. Luciani is still exposed to the same risks as any other businessperson, if you don't deliver the goods, you'll lose the contracts.

In September 1999, Luciani sold Check Patrol to allow him to focus solely on building and growing Maintenance Patrol. Today, Maintenance Patrol has 62 employees and salaries average between \$8.00 and \$13.00 per hour.

Raul Luciani was named SBA's Montana Minority Small Business Person of the Year for 2003. Luciani also recently traveled back to Washington, D.C. for SBA's Minority Enterprise Development Week, where he was crowned SBA's Region VIII Minority Small Business Person of the Year for 2003!

Log onto www.sba.gov for more information on SBA's 8(a) program.

***Banner Year for 8(a) Contracts in Montana
\$1,335,081,165.78
Congratulations to our 8(a) Firms!
Thanks to all the procurement agencies supporting SBA's
8(a) program.***

SCORE Corner

The Service Corps of Retired Executives (SCORE) held their annual statewide membership meeting September 9-10, 2003, at Fairmont Hot Springs.

Longtime SCORE member Les Jones of Billings SCORE Chapter #272 received SBA's 2003 SCORE Volunteer of the Year award. Mr. Jones joined SCORE in 1984, and has been a tireless volunteer ever since.

Over the course of his tenure with SCORE, he has served as chapter chair several times and has been an



SBA District Director Michelle Johnston and Les Jones

instructor in nearly every workshop hosted by the chapter. During the last two decades Mr. Jones has logged thousands of hours counseling an estimated 500+ clients! Two members of the Butte SCORE Chapter also received special recognition: John W. Cromer was presented with the Platinum Leadership Award for his many contributions to the Butte SCORE Chapter over the last 15 years, including his service as chapter chair, secretary-treasurer and active counselor; and Bessie H. Rule was given the Gold

Member Award for her long-time service as secretary-treasurer and counselor, as well as her other volunteer activities in the Butte community. Meritorious Service Awards were presented to Butte SCORE members Dean Beall and Ernest "Chuck" Richards for their fifteen years of distinguished counseling to clients.

SCORE, aka Counselors to America's Small Business, has eight chapter locations throughout Montana. SCORE's retired and working volunteers provide free business counseling and advice as a public service. SCORE chapters offer email advice online, face-to-face business counseling, and low-cost workshops.

SCORE chapters serve as your local connection to small business know how. To learn more about SCORE log onto www.score.org.



(L to R: John W. Cromer, Bessie H. Rule, and Dean Beall)

Yellowstone Bank Earns Top Lender Award

Once again, Yellowstone Bank in Billings has received SBA's top lender award, this year for approving the greatest dollar volume of SBA guaranteed loans - \$8,079,000! Yellowstone Bank ranked second behind Innovative Bank of California for the lender approving the highest number of SBA guaranteed loans - 55. Yellowstone Holding Company of Columbus also ranked first, for the bank system approving the most SBA guaranteed loans - 66, totaling \$9,477,900. They came in second, behind Mountain West Holding Company of Helena, for the largest dollar volume of loans approved this past fiscal year.

The county with the greatest number of SBA guaranteed loan approvals was Yellowstone County with 113 loans totaling \$14,738,750. Forty-nine percent of those loans, amounting to fifty-five percent of the total dollars, were made by Yellowstone Bank, affirming Yellowstone's commitment to small business and improving the local economy.

SBA staff presented bank officials with a plaque on October 16, 2003, in recognition of their accomplishments and continued support of SBA's guaranteed loan programs.



2004 SBA Small Business Week Award Nomination

Help us recognize outstanding leaders in Montana's small business communities

AWARD CATEGORIES

(Please check one)

- ☐ Small Business Person of the Year: For developing an outstanding, growing business; innovative product(s), job creation, increased sales, longevity in business, overcoming adversity, and community contributions.
- ☐ Small Business Exporter of the Year: Significantly increased export sales and profits, encouraging other firms to export, job creation through exports, and innovative methods of creating new markets.
- ☐ SBA Young Entrepreneur of the Year: Owner will not reach 30th birthday by June 1, 2004, three-year evidence of success in sales and profits, job creation, innovative products, demonstrated potential.
- ☐ Entrepreneurial Success Award: Must own and operate a business that was launched "small" by SBA size standards, received SBA assistance and has since grown into a large business.
- ☐ Woman Owned Business of the Year: For developing an outstanding, growing business; innovative product(s), job creation, increased sales, overcoming adversity, and community contributions.
- ☐ Main Street Business of the Year: For developing an outstanding business with fewer than 10 employees, innovative product(s), increased sales, longevity in business, overcoming adversity and community contributions.

Small Business Advocates of the Year: Those who promote small business, including volunteering their time and services to small business interests and groups, advocating the cause of small business in the legislative process. Advocates may or may not be small business owners.

- | | |
|---|---|
| <input type="checkbox"/> Minority Small Business Advocate of the Year | <input type="checkbox"/> Women in Business Advocate of the Year |
| <input type="checkbox"/> Veteran Small Business Advocate of the Year | <input type="checkbox"/> Small Business Journalist of the Year |
| <input type="checkbox"/> Financial Services Advocate of the Year | <input type="checkbox"/> Small Business Research Advocate of the Year |
| <input type="checkbox"/> Home-based Business Advocate of the Year | |

NOMINEE INFORMATION

Name	_____	Title	_____		
Company	_____	Address	_____		
City	State	Zip	Phone	Fax	

When nominating a business owner, please complete the following:

Is the company profitable?	# years in business	# of employees	Annual Sales
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NOMINATOR'S INFORMATION

Name	_____	Title	_____		
Company	_____	Address	_____		
City	State	Zip	Phone	Fax	

Reply by: NOVEMBER 24, 2003

Mail this form to:

U.S. SMALL BUSINESS ADMINISTRATION
Small Business Week Awards Committee
10 W. 15th St., Suite 1100
Helena, MT 59626

For more information, please contact: (406) 441-1081. Self-nominations will be accepted. This form may be duplicated. For further consideration, a complete nomination package with detailed materials will be required. SBA will contact the nominator with details. Thanks for your support!

U.S. SMALL BUSINESS ADMINISTRATION
WASHINGTON, D.C. 20548
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Room 401
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